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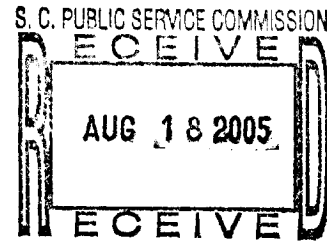
CUC, Inc.

2109 Timberlane Drive • Florence, SC 29506 • Phone 843.669.0130 • FAX 843.669.0135

August 17, 2005

VIA FEDERAL EXPRESS

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210



RE: Docket Number 2005-87-W/S

Dear Mr. Terreni:

Enclosed herewith for filing with the Commission, please find twenty-five (25) copies of the pre-filed Rebuttal Testimony of Billy F. Burnett on behalf of CUC, Inc., which testimony is filed pursuant to the Commission's notice dated April 19, 2005 in the above referenced docket.

Should you have any questions with respect to this testimony, please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in cursive script that reads "Billy F. Burnett".

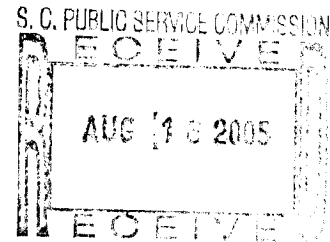
Billy F. Burnett
President

Enclosures

cc: Steven G. Mikell, Esquire
Mr. Joe Maready
C. Dukes Scott, Esquire
Thomas Potrykus

OK D.B. Duke
OK D.B. Duke

CUC, INC.
DOCKET NO. 2005-87-W/S
BEFORE THE SOUTH CAROLINA
PUBLIC SERVICE COMMISSION
Testimony Prepared: August 16, 2005
Hearing Date: September 8, 2005



APPLICANT'S REBUTTAL
TESTIMONY

THIS TESTIMONY IS FILED PURSUANT TO PSC ORDER DATED APRIL 19, 2005. THE APPLICANT RESERVES THE RIGHT TO PROVIDE REBUTTAL TESTIMONY TO THE TESTIMONY TO BE PRE-FILED, PURSUANT TO SAID ORDER AND TO THE PUBLIC SERVICE COMMISSION'S RULES OF PRACTICE AND PROCEDURE, BY THE COMMISSION STAFF AND INTERVENORS.

CUC, INC.

DOCKET NO. 2005-87-W/S

**PRE-FILED REBUTTAL TESTIMONY OF BILLY F. BURNETT
BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

Testimony Prepared: August 16, 2005

Hearing Date: September 8, 2005

THIS TESTIMONY IS FILED PURSUANT TO PSC ORDER DATED APRIL 19, 2005. THE APPLICANT RESERVES THE RIGHT TO PROVIDE REBUTTAL TESTIMONY TO THE TESTIMONY TO BE PRE-FILED, PURSUANT TO SAID ORDER AND TO THE PUBLIC SERVICE COMMISSION'S RULES OF PRACTICE AND PROCEDURE, BY THE COMMISSION STAFF AND INTERVENORS.

1 **Q. PLEASE STATE YOUR NAME FOR THE RECORD.**

2 **A.** Billy F. Burnett.
3

4 **Q. WHAT IS YOUR POSITION WITH CUC?**

5 **A.** I am President, General Manager of Operations, and a Shareholder.
6

7 **Q. HAVE YOU REVIEWED THE PREFILED DIRECT TESTIMONY OF**
8 **WILLIE J. MORGAN AND CHRISTINA L. SEALE ON BEHALF OF THE**
9 **ORS?**

10 **A.** Yes.
11

12 **Q. HAVE YOU ALSO REVIEWED THE PREFILED TESTIMONY OF**
13 **GEORGE B. FLEGAL, JR. ON BEHALF OF THE CALLAWASSIE**
14 **ISLAND PROPERTY OWNERS' ASSOCIATION?**

15 **A.** Yes.
16

17 **Q. DO YOU AGREE WITH THE ORS's RECOMMENDATION THAT**
18 **AVAILABILITY FEES BE TREATED AS OPERATING REVENUE?**

19 **A.** No, I strongly disagree with that. In our last rate case, Docket No. 91-041-W/S,
20 Order No. 92-114, dated February 27, 1992, the Commission Staff removed
21 availability fees from operating revenue, "in accordance with Commission
22 holdings in past proceedings that availability fees are not a Commission regulated
23 revenue." Our professional consultant, Mr. D. Joe Maready, concurred that in his
24 nearly twenty-nine (29) years of experience with the South Carolina Public
25 Service Commission, availability fees were not treated as operating revenue. Our
26 availability fees are based on a contractual agreement between the developer, the
27 customer, and our Company. They are not regulated by the PSC and they are not
28 a part of our rate structure. Because they are temporary in nature and end when
29 the customer builds upon his lot, they should not be treated as operating revenue.
30 The ORS acknowledged in their Adjustment Number 32 (page 9 of Seale's
31 testimony) that availability fees are not revenues recognized by the PSC, as they
32 removed said fees from operating revenue for the purpose of calculating the gross

receipts taxes. Likewise, availability late fees should be removed from operating revenue. We therefore oppose ORS's Adjustments #5, #6, and #10.

Q. WHAT ARE YOUR COMMENTS CONCERNING MS. SEALE'S TESTIMONY, ADJUSTMENT 19, REGARDING SLUDGE EXPENSES?

A. This is a proposed adjustment by Ms. Seale that would reduce allowable sludge hauling and processing costs incurred by CUC by backward averaging these costs over a two year period in lieu of CUC's requested sludge costs which are calculated using the test year known and measurable costs. Her downward adjustment for this item is (\$4,292). She arrived at this number by backward averaging CUC's sludge costs for 2003 and the test year of 2004. Ms. Seale basically stated that her averaging adjustment was made as a result of information provided by ORS witness Morgan. Ms. Seale stated that CUC did not propose an adjustment to sludge costs. However, we did inform Ms. Seale that we have known and measurable cost increases for hauling and processing the sludge since our Application was filed.

Ms. Seale adjusted the annual quantity of sludge hauling and processing downward stating that Mr. Morgan said, "these quantities are reasonable estimates of what a normalized sludge process of a wastewater treatment facility of this size would generate". Mr. Morgan did not mention this recommended adjustment in his testimony, nor did he provide any exhibits or calculations to support Ms. Seale's statements and adjustment. Under Mr. Morgan's scenario, CUC would only have to backward calculate average sludge removal every two years and then remove that precise average each year, and the wastewater treatment would stay in regulatory compliance relative to discharged water quality.

Sludge is a by-product of treated wastewater. The age and amount of sludge in the plants' mixed liquor affects the quality of the final effluent. To remove sludge from the treatment process is not optional. Sludge must be removed and processed in order for CUC to comply with the plants' permits. Without the

proper balance of sludge in the plants' mixed liquor, it is impossible to meet the ammonia and BOD requirements of the permits. Proper sludge removal from CUC's two advanced wastewater plants cannot be simply pre-estimated by anyone. The time when sludge is to be removed and the amount to be removed must be determined by the daily operations and plant requirements that keep the quality of the plants' effluents within regulatory limits and requirements. These determinations must be performed by a certified operator that holds, as a minimum, a Grade B Wastewater Certification in accordance with S.C. Code of Regulations Chapter 51 South Carolina Environmental Certification Board for a Group IIIB wastewater treatment plant. Mr. Marshall Bishop, CUC's operator-in-charge, has the Grade B Certification and makes these determinations. I am also certified with a Grade A Wastewater Certification, and I consult with Mr. Bishop regarding the plant sludge removal.

Training manuals that are used to teach operators how to properly operate wastewater treatment plants do not include instructions that would allow sludge to be removed based on looking backward at the previous two years' average, as Mr. Morgan and Ms. Seale suggest. Even if ORS wanted to be responsible for the quality of the plant effluents by simply backward averaging the previous two years' sludge removal and instructing CUC to follow that policy, this would not be allowed by the South Carolina Department of Health and Environmental Control ("DHEC"). If ORS would like to negotiate with DHEC to remove their responsibility of plant compliance from DHEC and place that responsibility with ORS, CUC does not have a problem with that. But CUC cannot be required to meet plant discharge quality from two different state agencies with different requirements.

Proper sludge control and removal is an important and integral part of the wastewater treatment process. It is not CUC's intention to cause the sludge removal and control process to cost any more than necessary. But the cost of this required process, whatever it is, has to be determined and based on good operations and qualified judgments by the plant operators. At this time, it is

1 CUC's and its operators' responsibilities to meet all regulatory requirements for
2 plant discharge water quality, and not ORS's responsibility.

3
4 It is CUC's opinion that if rates granted by the Commission as a result of this
5 Application include only sludge hauling and disposal processing expenses
6 recommended by the ORS, there will not be sufficient funds allocated to properly
7 operate the two wastewater plants and keep them in compliance with regulatory
8 requirements.

9
10 Attached as part of this testimony is CUC EXHIBIT 1 which shows actual test
11 year costs of \$14,762 and the adjusted test year costs of \$19,372 using increases
12 to costs that have occurred since our Application was filed. We have previously
13 submitted known and measurable documentation to ORS for these increases.
14 CUC urges the Commission to allow the full amount requested by CUC plus
15 adjustments requested in the annual amount of \$19,372. If the ORS's adjustment
16 is approved, there will only be \$10,470 to cover CUC's sludge hauling and
17 processing annual costs which will under-fund the annual costs to perform the
18 required sludge operations in the amount of \$8,902. It is therefore our position
19 that Adjustment #19 be changed to \$4,610 to reflect known and measurable
20 increases to actual test year expenses.

21
22 **Q. DO YOU AGREE WITH ORS'S CAPITALIZATION OF PUMP REPAIR**
23 **EXPENSES OF \$3,323?**

24 **A.** No. The ORS capitalized three separate pump repair invoices in the amounts of
25 \$837, \$1649, and \$837 and gave those repairs service lives of 16, 13, and 16 years
26 respectively. Sewer pump repairs are a frequent and common maintenance item,
27 and we disagree with them being capitalized. To give pump repairs service lives
28 such as these is totally unreasonable. We therefore oppose the ORS's Adjustment
29 #23 and request that these amounts be returned to sewer repairs expense.

1 **Q. WOULD YOU LIKE TO RESPOND TO THE ORS'S STATEMENT THAT**
2 **THE COMPANY DOES NOT UTILIZE THE NARUC CHART OF**
3 **ACCOUNTS?**

4 **A.** Yes. We acknowledge and admit that. We discussed this matter in depth with the
5 auditors when they were in our office. We explained that we had purchased new
6 software and plan to update our books for 2006. We have used the same
7 accounting software for many years, and the Windows version of this software
8 (NewViews) only recently became available. We felt the transition to new
9 accounts would be awkward in the middle of the year, so we chose to wait till
10 year end at which time we will make the transition. We have purchased the latest
11 editions of the UNIFORM SYSTEM OF ACCOUNTS FOR CLASS B WATER
12 UTILITIES, the UNIFORM SYSTEM OF ACCOUNTS FOR CLASS B
13 WASTEWATER UTILITIES, as well as INTERPRETATIONS OF
14 UNIFORM SYSTEM OF ACCOUNTS FOR WATER AND SEWER
15 UTILITIES. We have begun the review and study of these manuals and will seek
16 outside training if necessary to complete the process of the transition. While we
17 failed to properly allocate some expenses between water and sewer, most major
18 expenses were allocated that way, and we assisted the ORS with the appropriate
19 allocation of the remaining items. Our record keeping is good and we are, in
20 fact, quite proud of the organization of our Company.

21
22 **Q. DO YOU HAVE ANY COMMENTS REGARDING MR. FLEGAL'S**
23 **TESTIMONY REGARDING AVAILABILITY FEES?**

24 **A.** Yes. Availability fees have not been included in operating revenue for the
25 purpose of ratemaking since the inception of our Company. The Commission has
26 supported this decision. We see no basis for the change in Article 7, as referred to
27 by Mr. Flegal. We have addressed our objections to availability fees being
28 included in operating revenue on page 3, lines 18-33 of this rebuttal testimony.

29
30 **Q. HOW DO YOU RESPOND TO MR. FLEGAL'S STATEMENT THAT**
31 **GRINDER STATION REVENUES SHOULD BE INCLUDED IN**
32 **REVENUES?**

1 A. We disagree with that statement. The purchase of a grinder station represents a
2 contractual agreement between the Company and the customer, and as such, is an
3 unregulated fee which has never been considered part of ratemaking by the
4 Commission. Grinder stations are installed on Spring Island only and are not
5 required on Callawassie Island.
6

7 **Q. PLEASE COMMENT ON MR. FLEGAL'S TESTIMONY REGARDING**
8 **TAP-ON FEE EXPENSES.**

9 A. Mr. Flegal has erroneously stated that the Company had \$33,585 in profit. That
10 amount actually represents bona fide expenses charged to repairs and
11 maintenance. The reason that CUC put a negative adjustment of that amount in
12 our original application was that our consultant, Mr. Joe Maready, a PSC
13 employee for nearly 29 years, advised us that we would have to remove an
14 amount of expense equal to the amount of tap fees being removed. After
15 discussing this with ORS auditors, we learned that such an adjustment would not
16 be required, so we are in agreement with the ORS recommendation that it be left
17 in the proper expense accounts.
18

19 **Q. DO YOU AGREE WITH MR. FLEGAL'S OPINION THAT RATE CASE**
20 **EXPENSES SHOULD BE AMORTIZED OVER SEVEN YEARS?**

21 A. No. We agree with the ORS recommendation of a five year amortization.
22

23 **Q. PLEASE COMMENT ON MR. FLEGAL'S OPINION REGARDING**
24 **PURCHASED WATER EXPENSE.**

25 A. Mr. Flegal states that we said the meter stopped. We never said that; rather, we
26 said that the meter was malfunctioning and not reading properly. Mr. Flegal also
27 states that we did not provide any substantiation of our adjustment. This is
28 blatantly false. We provided documents and papers and the ORS thoroughly
29 studied this issue. Mr. Flegal's figures are flawed. He applied the new purchased
30 water rate of \$1.64 to the difference between what he said our purchased water
31 should have been (based on some figures he gleaned from 2002) and the amount

1 that it actually was; whereas, he should have applied the new rate to ALL gallons
2 purchased. His adjustment is incorrect. We agree with the ORS's adjustment
3 amount of \$55,702.
4

5 **Q. HOW DO YOU RESPOND TO MR. FLEGAL'S DISCUSSION OF HIS**
6 **EXHIBIT NO. 2?**

7 A. First of all, Mr. Flegal's math is incorrect once again. He has applied a 15%
8 increase to revenues across the board, which include in his assessment,
9 availability fees, grinder station revenues, interest income, miscellaneous income,
10 all of which should not be included. Furthermore, no company would seek to be a
11 regulated utility in South Carolina with only a 5% profit, before taxes.

12 **Q. WOULD YOU LIKE TO COMMENT ON MR. FLEGAL'S VIEWS**
13 **RELATIVE TO HIS EXHIBIT #3?**

14 A. Absolutely. First of all, he has included tap fees and depreciation in revenues.
15 Tap fees are CIAC. Depreciation is an expense item, not a revenue item.
16 Furthermore, in his adjusted rates, he has increased availability fees by 21%,
17 without any basis, and has included depreciation once again as revenue. Also, as
18 stated in earlier testimony, we disagree with many of his expense adjustments.
19 We reject the document in its entirety.
20

21 **Q. PLEASE RESPOND TO MR. FLEGAL'S STATEMENT THAT THE TWO**
22 **SHAREHOLDERS OF THE COMPANY WOULD SPLIT ANY POSITIVE**
23 **CASH FLOW.**

24 A. It is difficult to even dignify such a statement with a response. First of all, I
25 would like to know what led him to make such a statement. There were years in
26 the Company's past when the shareholders did not even receive a salary, because
27 there was inadequate cash flow. Furthermore, the shareholders have never taken a
28 single dividend. Indeed the two shareholders have recently loaned the Company
29 \$60,000 just to keep the Company afloat. The Company needs to rebuild its cash
30 reserves for emergencies, to replace aging equipment, and to continue to fairly
31 compensate our employees in a competitive job market.
32

1 **Q. PLEASE ADDRESS MR. FLEGAL’S OPINION ABOUT THE**
2 **ELIMINATION OF THE 2500-GALLON PER MONTH ALLOWANCE.**

3 A. Mr. Flegal states that the elimination of the 2500 gallons per month will decrease
4 conservation efforts, which is simply not true. Giving away 2500 gallons a month
5 does not encourage conservation of water. We simply feel that all customers
6 should pay the same amount for any and all water that they use – period.
7

8 **Q. PLEASE COMMENT ON MR. FLEGAL’S “DOWN AND DIRTY” STUDY**
9 **AND HIS CORRESPONDING EXHIBIT #7.**

10 A. His “down and dirty” study is seriously flawed. Mr. Flegal has applied a base rate
11 of \$15.60 to 2,567 monthly bills. 914 of those monthly bills in his calculations
12 are availability bills. Our monthly rate per availability bill is \$4.00, \$11.60 less
13 than \$15.60. There would only be 1653 monthly bills at the rate of \$15.60, for a
14 total of \$309,442. Then, even if we were to include non-regulated availability
15 fees in revenue, that would be an additional \$43,872 (914 x \$4.00 x 12 months),
16 for a combined revenue total of \$353,314, a shortfall of (\$127,376) to meet his
17 fixed costs figure of \$480,690. To follow Mr. Flegal’s calculations regarding
18 base charges, availability customers would have to be removed from those
19 calculations. So, \$480,690 less \$43,872 leaves \$436,818 to be divided by the
20 remaining 1653 customers. That would require a base charge of \$22.02 for each
21 of those customers, just for the Company to cover fixed costs as identified by Mr.
22 Flegal. That is \$2.02 higher than the base rate asked for by the Company. If we
23 take things a step further and deduct the unregulated availability fees from
24 operating revenue, we would need a base rate of \$24.23 ($\$480,690/1653$) just to
25 cover fixed costs.
26

27 **Q. DO YOU HAVE ANYTHING TO SAY REGARDING MR. FLEGAL’S**
28 **GENERAL COMMENTS ABOUT THE COMPANY’S PRESENTATION?**

29 A. Yes, I do. We are not a rate base company. We are an operating margin
30 company. Secondly, the PSC has not advised us of any deficiencies with our
31 Annual Reports, which are prepared by a paid certified accountant. We have
32 addressed the issue of following the NARUC chart of accounts at length earlier in

1 this rebuttal testimony. When the ORS auditors visited our office for three days
2 to perform their audit of the Company records, they complimented our record-
3 keeping, and said that they wished that all utility companies with which they had
4 dealings had records as good and clean as ours. Our computerized reports rival
5 any in the industry, and we are quite proud of the administrative side of our
6 business. We deeply resent Mr. Flegal making a derogatory public statement
7 about the operations of our Company.
8

9 **Q. WHAT IS YOUR OVERALL OPINION OF THE TESTIMONY**
10 **PROVIDED BY MR. GEORGE B. FLEGAL, JR.?**

11 A. We have attempted to address the major flaws in Mr. Flegal's testimony earlier in
12 this rebuttal testimony. We consequently feel that his recommendations for the
13 Company have no merit, because they are based on faulty information.
14

15 We feel like our Company has a wonderful relationship with our customers. It
16 was evident at the night hearing held on August 8, 2005 on Callawassie Island,
17 that the customers are pleased with the service that they receive from our
18 Company, and that they are pleased with our local staff. We are proud of the
19 pleasant camaraderie that we have shared with the community for twenty years
20 and look forward to its continuation. We regret that Mr. Flegal has attempted to
21 tarnish our good name, and we do not believe that his views reflect the views of
22 the vast majority of the customers on Callawassie Island and Spring Island. Our
23 goal is to maintain excellent customer relations and to continue to provide good
24 and adequate service to our customers as we have for the past twenty years. Our
25 Company has an excellent record of meeting and complying with all state
26 environmental requirements, and we feel it is important to maintain that record, as
27 we are well aware that our customers live in a beautiful neighborhood and are
28 environmentally conscious.
29

30 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

31 A. Yes, it does.
32

CUC, Inc.

SLUDGE HAULING & PROCESSING EXHIBIT

| ACTUAL EXPENSES FOR TEST YEAR 2004 | | | | | | | | |
|------------------------------------|---------------------------------|----------------------------|---------------------------|-------------------------------------|----------------------------|------------------------------|---------------------------------------|---------------|
| | Sludge Hauled (1) In Gallons | Hauling Cost Per Gallon | Hauling Cost Total (2) | Sludge Processed (3) In Dry Tons | Processing Cost Per Ton | Processing Cost Total (4) | Laboratory Sludge Test Cost (9) | Total Cost |
| 2004 | 215,000 | \$ 0.04 | \$ 8,600.00 | \$ 12.46 | \$ 475.00 | \$ 5,920.86 | \$ 241.56 | \$14,762.42 |

| EXPENSES - TEST YEAR 2004 - ADJUSTED FOR COST INCREASES SINCE APPLICATION WAS FILED | | | | | | | | |
|---|--------------------------|-----------------------------|------------------------|------------------------------|-------------------------|---------------------------|-----------------------------|-------------|
| | Sludge Hauled In Gallons | Hauling Cost Per Gallon (5) | Hauling Cost Total (6) | Sludge Processed In Dry Tons | Processing Cost Per Ton | Processing Cost Total (8) | Laboratory Sludge Test Cost | Total Cost |
| 2004 | 215,000 | \$ 0.06 | \$12,900.00 | \$ 12.46 | \$ 500.00 | \$ 6,230.00 | \$ 241.56 | \$19,371.56 |

- (1) Hauled by Collins Septic Tank Service to BJWSA Sludge Processing Plant
- (2) Invoices Previously Submitted to ORS and Copies Attached Hereto
- (3) Processed by Beaufort Jasper Water & Sewer Authority(BJWSA) at their Sludge Processing Plant
- (4) Invoices Previously Submitted to ORS and Copies Attached Hereto
- (5) Current Invoice Per Gallon From Collins Septic Tank Service
- (6) Projected Current Total Invoices From Collins Septic Tank Service Using Current Per Gallon Cost Of \$0.06
- (7) Current Invoice Per Dry Ton By BJWSA
- (8) Projected Current Total From BJWSA Using Current Dry Ton Cost Of \$500.00
- (9) Sludge Testing Invoice From BJWSA Previously Submitted To ORS And Copy Attached Hereto

SERVICE INVOICE

INVOICE DATE

12/20/04

INVOICE NO.

201971

PAGE

1

TYPE

MC

TERMS

Due upon rcpt

ACCOUNT NO.

2

JOB NO.

SALES
REP

PURCHASE ORDER NO.

Sludge 11/04

DESCRIPTION

UNIT

QUANTITY

UNIT PRICE

EXTENDED PRICE

Sludge Charges

1.00

241.5600

241.56



COMMENTS:

SUB TOTAL

241.56

SALES TAX

NO TAX

PLEASE PAY

241.56

6 Snake Road
Okatie, SC 29909CALLAWASSIE/CUC INC
2109 TIMBERLANE DRIVE

FLORENCE, SC 29506

SERVICE INVOICE

6 SNAKE ROAD
OKATIE, SC 29909-3937

INVOICE DATE

11/19/04

INVOICE NO

201960

PAGE

1

TYPE

MC

TERMS

Due upon rcpt

ACCOUNT NO

2

JOB NO

SALES
REP

PURCHASE ORDER NO

Sludge Charges

| DESCRIPTION | UNIT | QUANTITY | UNIT PRICE | EXTENDED PRICE |
|-------------------------------------|------|----------|------------|----------------|
| Sludge Charges 10/25/04-11/02/04 | | 1.00 | 1,390.5500 | 1,390.55 |

COMMENTS:

SUB TOTAL

1,390.55

SALES TAX

NO TAX

PLEASE PAY

1,390.55



P.O. BOX 2149
BEAUFORT, SC 29901-2149

SERVICE INVOICE

INVOICE DATE

06/23/04

INVOICE NO.

201866

PAGE

1

TYPE

MC

CALLAWASSIE/CUC INC
2109 TIMBERLANE DRIVE

FLORENCE, SC 29506

TERMS

Due upon rcpt

ACCOUNT NO.

2

JOB NO.

SALES
REP

PURCHASE ORDER NO.

Sludge Charges

| DESCRIPTION | UNIT | QUANTITY | UNIT PRICE | EXTENDED PRICE |
|------------------|------|----------|------------|----------------|
| Sludge - January | | 1.00 | 517.9400 | 517.94 |
| Sludge - March | | 1.00 | 709.3400 | 709.34 |
| Sludge - April | | 1.00 | 2,445.2600 | 2,445.26 |
| Sludge - May | | 1.00 | 857.7700 | 857.77 |

COMMENTS:

SUB TOTAL

4,530.31

SALES TAX

NO TAX

PLEASE PAY

4,530.31



COLLINS SEPTIC TANK SERVICE, INC.
2 BAREFOOT ALLEY
BLUFFTON, SC 29910
(843) 757-1318

Invoice

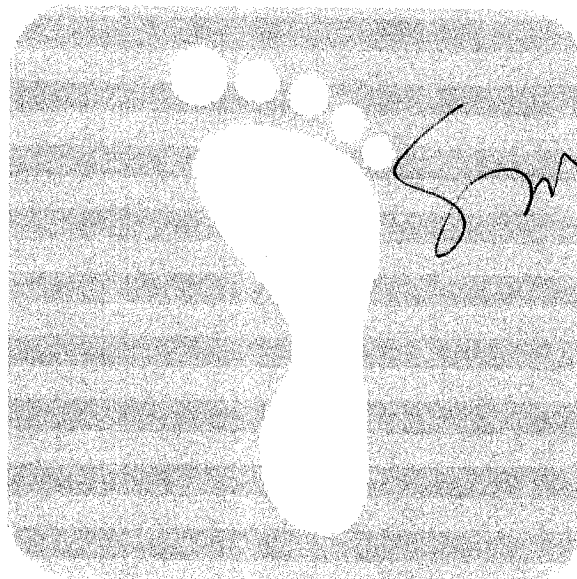
| DATE | INVOICE # |
|-----------|-----------|
| 1/30/2004 | 105189 |

BILL TO:

CUC, INC.
2109 TIMBERLANE DRIVE
FLORENCE, SOUTH CAROLINA
29506

| P.O. NUMBER | TERMS | PROJECT |
|-------------|--------|---------|
| 9872727 | Net 30 | |

| QUANTITY | DESCRIPTION | RATE | AMOUNT |
|----------|--------------------------|------|----------|
| 25,000 | HAULING 10 LOADS 1-15-04 | 0.04 | 1,000.00 |



8.75% INTEREST ADDED PER YEAR WITH LEGAL AND COLLECTION COST ADDED

#6437

2-10-04

TOTAL

\$1,000.00

**COLLINS SEPTIC TANK SERVICE, INC.**

2 BAREFOOT ALLEY
BLUFFTON, SC 29910
(843) 757-1318

Invoice

| DATE | INVOICE # |
|-----------|-----------|
| 3/30/2004 | 105429 |

BILL TO:

CUC, INC.
2109 TIMBERLANE DRIVE
FLORENCE, SOUTH CAROLINA
29506

| P.O. NUMBER | TERMS | PROJECT |
|-------------|--------|---------|
| 9872727 | Net 30 | |

| QUANTITY | DESCRIPTION | RATE | AMOUNT |
|----------|-------------------------|------|--------|
| 5,000 | HAULING 2 LOADS 3-10-04 | 0.04 | 200.00 |
| 20,000 | HAULING 8 LOADS 3-11-04 | 0.04 | 800.00 |



#6487
4-16-04

Signature

8.75% INTEREST ADDED PER YEAR WITH LEGAL AND COLLECTION COST ADDED

TOTAL \$1,000.00

**COLLINS SEPTIC TANK SERVICE, INC.**

2 BAREFOOT ALLEY
BLUFFTON, SC 29910
(843) 757-1318

Invoice

DATE**INVOICE #**

6/24/2004

105681

BILL TO:

CUC, INC.
2109 TIMBERLANE DRIVE
FLORENCE, SOUTH CAROLINA
29506

P.O. NUMBER**TERMS****PROJECT**

9872727

Net 30

QUANTITY**DESCRIPTION****RATE****AMOUNT**

87,500 HAULING FOR APRIL 35 LOADS

0.04

3,500.00

27,500 HAULING FOR MAY 11 LOADS

0.04

1,100.00



8.75% INTEREST ADDED PER YEAR WITH LEGAL AND COLLECTION COST ADDED

TOTAL**\$4,600.00**

**COLLINS SEPTIC TANK SERVICE, INC.**

2 BAREFOOT ALLEY
BLUFFTON, SC 29910
(843) 757-1318

Invoice

DATE**INVOICE #**

11/12/2004

106212

BILL TO:

CUC, INC.
2109 TIMBERLANE DRIVE
FLORENCE, SOUTH CAROLINA
29506

P.O. NUMBER**TERMS****PROJECT**

9872727

Net 30

QUANTITY**DESCRIPTION****RATE****AMOUNT**

15,000 HAULING 6 LOADS 10-25

0.04

600.00

10,000 HAULING 4 LOADS 10-27

0.04

400.00

12,500 HAULING 5 LOADS 11-01-04

0.04

500.00

2,500 HAULING 1 LOAD 11-02

0.04

100.00

10,000 HAULING 3 LOADS 11-03

0.04

400.00



8.75% INTEREST ADDED PER YEAR WITH LEGAL AND COLLECTION COST ADDED

TOTAL**\$2,000.00**